

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 32056 01 OF 02 291600Z

65

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

AF-08 ARA-06 EA-07 NEA-10 SIL-01 /132 W

----- 008893

R 291550Z OCT 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 6638

INFO USDEL MTN GENEVA

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 32056

E.O. 11652: N/A

TAGS: EIND, BEXP, GATT, MTN, FR

SUBJECT: AMBASSADOR WALKER'S DISCUSSION WITH FRENCH
DIRECTOR GENERAL OF INDUSTRY DE L'ESTOILE

1. SUMMARY: IN LUNCHEON MEETING WITH AMBASSADOR
WALKER OCTOBER 28, DIRECTOR GENERAL OF INDUSTRY
DE L'ESTOILE STRESSED GOF DESIRE TO ACHIEVE THROUGH
MTN MORE LIBERAL ENVIRONMENT FOR INDUSTRIAL TRADE AS
MEANS OF BOOSTING FRENCH EXPORTS TO OFFSET GROWING
IMPORTS. HE SAID FRENCH INDUSTRIALISTS, HOWEVER,
PREFER STATUS QUO. IN NEGOTIATIONS WITH US, MAIN
GOF DESIDERATA ARE IN NTB FIELD, PARTICULARLY CUSTOMS
PROCEDURES, BUT GOF ALSO WISHES DEEP CUTS IN US TARIFF
"PEAKS" AFFECTING FRENCH EXPORTS, NOTABLY TEXTILES AND
SHOES. AMBASSADOR WALKER REVIEWED HISTORY OF TRADE
ACT, COUNTERED DE L'ESTOILE CHARGE THAT IT WAS
PROTECTIONIST, DEMONSTRATED HOW US TARIFF CUTTING
FORMULA WOULD BE MORE TO FRENCH ADVANTAGE THAN EC
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 32056 01 OF 02 291600Z

FORMULA, AND MADE IT CLEAR THAT SOME EC GIVE ON

AGRICULTURE IS VITAL TO SUCCESSFUL MTN. END SUMMARY.

2. IN LUNCHEON MEETING HOSTED BY DE L'ESTOILE AND INCLUDING EMBOFFS AND PRIMIN'S ADVISOR ON FOREIGN ECONOMIC AFFAIRS, DE L'ESTOILE STARTED OFF BY SAYING THAT DUE TO DOMESTIC INDUSTRIAL POLICY PREOCCUPATIONS HE HAD ONLY RECENTLY BEGUN TO FOCUS ON MTN. FRENCH INDUSTRIAL LEADERS, HE SAID, HAD BEEN DISILLUSIONED BY KENNEDY ROUND AND ARE NOW MORE INTERESTED IN PRODUCTION THAN LIBERALIZATION. GOF, BY CONTRAST, SEES LIBERALIZATION, PARTICULARLY BY OTHER DC'S, AS ESSENTIAL TO FRENCH EXPORT EXPANSION WHICH IN TURN IS NEEDED TO OFFSET GROWING BILL FOR IMPORTS OF ENERGY AND OTHER RAW MATERIALS FROM LDC'S. GOF THEREFORE WANTS SUCCESSFUL MTN.

3. AS FAR AS US IS CONCERNED PRIMARY FRENCH INTEREST IS IN ELIMINATING NTB'S, ESPECIALLY "DISRUPTIVE" US SYSTEM OF CUSTOMS EVALUATION. IN TARIFF SECTOR FRANCE WANTS DEEP CUTS IN US "PEAK" TARIFFS AFFECTING SUCH LABOR INTENSIVE PRODUCTS AS TEXTILES AND SHOES. DE L'ESTOILE MENTIONED THAT FRANCE HAS 700,000 WORKERS IN TEXTILES ALONE AND THAT THOUGH SOME GRADUAL DECLINE IN THE SECTOR IS INEVITABLE IT MUST NOT BE TOO ABRUPT. HE PROFESSED LACK OF DEEP INTEREST IN US CONCESSIONS IN FIELD OF GOVERNMENT PROCUREMENT.

4. WALKER RESPONDED AS FOLLOWS: (1) REFORM IN US CUSTOMS EVALUATION SYSTEM IS NEGOTIABLE; (2) US IS PREPARED TO CUT PEAK TARIFFS BY STATUTORY LIMIT OF 60 PERCENT BUT MAIN CONSTRAINT ON TEXTILES IS MFA WHICH FEW DC'S ARE READY TO ABANDON; (3) FRANCE WOULD BE UNWISE TO IGNORE POSSIBILITY OF GAINS IN GOVERNMENT PROCUREMENT SINCE US FEDERAL GOVERNMENT ALONE BUYS MORE THAN EC GOVERNMENTS COMBINED.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 32056 02 OF 02 291559Z

65

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

SIL-01 AF-08 ARA-06 EA-07 NEA-10 /132 W

----- 008811

R 291550Z OCT 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 6639

INFO USDEL MTN GENEVA

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 32056

5. DE L'ESTOILE SAID HE HAD RECENTLY READ US TRADE ACT AND CONSIDERED IT SURPRISINGLY PROTECTIONIST DOCUMENT. WALKER REVIEWED HISTORY OF KENNEDY ROUND AND DISILLUSIONMENT OF US FARMERS, LABOR AND INDUSTRY OVER RESULTS THEREFROM. TRADE ACT, HE SAID, INTRODUCES CONCEPT OF ACCOUNTABILITY TO CONGRESS AND AMERICAN BUSINESS WHICH WILL HELP TO ENSURE THAT AGREEMENTS REACHED IN GENEVA WILL BE UNDERSTOOD AND RATIFIED. AFFIRMATIVE ACTION ON INDUSTRY COMPLAINTS THUS FAR ADJUDICATED UNDER ACT HAVE BEEN VERY FEW. MOST AMERICANS, HE ADDED, CONSIDER US TRADE ACT LIBERAL AND EUROPEAN SYSTEM OF PROTECTIVE ACTION BY ADMINISTRATIVE FIAT HIGHLY DISCRIMINATORY AGAINST US BUSINESS. INSTANCES WERE CITED OF RECENT ACTIONS TAKEN BY DE L'ESTOILE'S OFFICE AGAINST US EXPORTERS AND INVESTORS WHICH WERE PATENTLY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 32056 02 OF 02 291559Z

PROTECTIONIST IN OBJECTIVE AND EFFECT.

6. DISCUSSION THEN TURNED TO RELATIVE MERITS OF US AND EC TARIFF CUTTING FORMULAE. WALKER PRODUCED CHARTS AND TABLES TO DEMONSTRATE THAT US FORMULA PERMITS DEEPER CUTS IN MEDIUM LEVEL TARIFFS UNDER WHICH BULK OF TRADE IS CONDUCTED. DE L'ESTOILE RETORTED THAT NUB OF PROBLEM IS LEGAL IMPEDIMENT AGAINST US CUTS OF MORE THAN 60 PERCENT IN HIGHER TARIFFS AND EXPRESSED WISH THAT EC COULD NEGOTIATE WITH COMPARABLY PROTECTIVE MARDATE.

7. WHEN DE L'ESTOILE EXPRESSED HIS UNDERSTANDING
THAT GOF CONSIDERED CAP "NON-NEGOTIABLE," WALKER
SAID THAT IN ABSENCE OF SIGNIFICANT EC CONCESSIONS
ON AGRICULTURE THERE COULD BE NO MTN AGREEMENT.

8. FOREGOING WAS PREPARED AFTER AMBASSADOR WALKER'S
DEPARTURE.
RUSH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL DEVELOPMENT, TRADE LIBERALIZATION, DIPLOMATIC DISCUSSIONS, NEGOTIATIONS, TARIFF LIBERALIZATION
Control Number: n/a
Copy: SINGLE
Draft Date: 29 OCT 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PARIS32056
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760404-0410
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976104/aaaaadff.tel
Line Count: 178
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2004 by ElyME>; APPROVED <02 AUG 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AMBASSADOR WALKER'S DISCUSSION WITH FRENCH DIRECTOR GENERAL OF INDUSTRY DE L'ESTOILE
TAGS: EIND, BEXP, ETRD, US, FR, GATT, MTN, (WALKER, WILLIAM N)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006